Accounting, Organizations and Society

EDITOR-IN-CHIEF: ANTHONY G. HOPWOOD

VOLUME 14 1989

Pergamon Press · Oxford · New York · Beijing · Frankfurt
São Paulo · Sydney · Tokyo · Toronto

Accounting, Organizations and Society

EDITOR-IN-CHIEF

Anthony G. Hopwood: London School of Economics and Political Science, Houghton Street London WC2A 2AE

ASSOCIATE EDITORS

Jacob G. Birnberg
Graduate School of Business
University of Pittsburgh,
Pittsburgh

Peter Miller
Department of Accounting
and Finance
London School of Economics

EDITORIAL BOARD

Shahid L. Ansari
School of Business Administration and Economics
California State University
Northridge

Chris Argyris
Graduate School of Business Administration
Harvard University

Edward C. Arrington
College of Business Administration
University of Iowa

Stan Baiman
Graduate School of Industrial Administration
Carnegie-Mellon University

Richard J. Boland
College of Commerce and Business Administration
University of Illinois

Peter Brownell
School of Economics and Financial Studies
Macquarie University

Edwin H. Caplan
Robert O. Anderson School of Business and Administrative Sciences
University of New Mexico

David Cooper
Faculty of Business
University of Alberta

Jeremy Dent
London Business School

Meinolf Dierkes
Science Center
West Berlin

Mark Dirsmith
College of Business Administration
Pennsylvania State University

Kenneth R. Ferris
Cox School of Business
Southern Methodist University

Eric G. Flamholtz
Graduate School of Management
University of California
Los Angeles

L. Richard Hoffman
Graduate School of Management
Rutgers University

Geert H. Hofstede
University of Limburg, Maastricht

Robin Hogarth
Graduate School of Business
University of Chicago

Trevor Hopper
Department of Accounting and Finance
University of Manchester

Robert E. Jensen
Department of Business Administration
Trinity University

Sten Jönsson
Department of Business Administration
Gothenburg University

Edward E. Lawler III
School of Business Administration
University of Southern California

Robert Libby
Johnson School of Management
Cornell University

James G. March
Graduate School of Business
Stanford University

Charles Medawar
Public Interest Research Centre
London

Kenneth A. Merchant
Graduate School of Business Administration
Harvard University

John W. Meyer
Department of Sociology
Stanford University

Theodore J. Mock
School of Accounting
University of Southern California

Ted O'Leary
College of Commerce and Business Administration
University of Illinois

David T. Otley
Department of Accounting and Finance
University of Lancaster

Hein Schreuder
University of Limburg, Maastricht

Michael Shields
School of Accountancy
San Diego State University

Robert J. Swieringa
Financial Accounting Standards Board

Sadao Takatera
Faculty of Economics
Kyoto University

William Waller
College of Business and Public Administration
University of Arizona

John H. Waterhouse
Faculty of Business Administration and Commerce
University of Alberta

Karl E. Weick
School of Business Administration
University of Michigan

Aaron Wildavsky
Survey Research Center
University of California
Berkeley

Mayer Zald
Department of Sociology
University of Michigan

Publishing, Subscription and Advertising Offices: Pergamon Press plc, Headington Hill Hall, Oxford OX3 0BW (*Oxford* 64881; *Telex* 83177).

Annual Subscription Rates 1990 (including postage and insurance)

Annual institutional subscription rate (1990) DM 770.00. 2 year institutional rate (1990/91) DM 1463.00. Personal subscription for those whose library subscribes at the regular rate (1990) DM 240.00. All subscription enquiries should be addressed to: The Subscription Fulfilment Manager, Pergamon Press plc, Headington Hill Hall, Oxford OX3 0BW, U.K. Prices are subject to change without notice.

Back Issues: Back issues of all previously published volumes, in both hard copy and on microform, are available direct from Pergamon Press offices.

Published 6 times per annum

Copyright © 1989 Pergamon Press plc

It is a condition that manuscripts submitted to this journal have not been published and will not be simultaneously submitted or published elsewhere. By submitting a manuscript, the authors agree that the copyright for their article is transferred to the publisher if and when the article is accepted for publication. However, assignment of copyright is not required from authors who work for organizations which do not permit such assignment. The copyright covers the exclusive rights to reproduce and distribute the article, including reprints, photographic reproductions, microform or any other reproductions of similar nature and translations. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, electrostatic, magnetic tape, mechanical, photocopying, recording or otherwise, without permission in writing from the copyright holder.

US Copyright Law Applicable to Users in the USA

Photocopying information for users in the U.S.A. The Item-Fee Code for this publication indicates that authorization to photocopy items for internal or personal use is granted by the copyright holder for libraries and other users registered with the Copyright Clearance Center (CCC) Transactional Reporting Service provided the stated fee for copying beyond that permitted by Section 107 or 108 of the United States Copyright Law, is paid. The appropriate remittance of $3.00 per copy per article is paid directly to the Copyright Clearance Center Inc., 27 Congress Street, Salem, MA 01970.

Permission for other use. The copyright owner's consent does not extend to copying for general distribution, for promotion, for creating new works, or for resale. Specific written permission must be obtained from the publisher for such copying.

The Item-Fee Code for this publication is: 0361-3682/89 $3.00 + .00

♾™ The text paper used in this publication meets the minimum requirements of American National Standard for Information Sciences — Permanence of Paper for Printed Materials, ANSI Z39.48-1984.

VOLUME CONTENTS

Number 1/2

C. E. ARRINGTON and J. R. FRANCIS	1	Letting the chat out of the bag: deconstruction, privilege and accounting research
B. CZARNIAWSKA-JOERGES and B. JACOBSSON	29	Budget in a cold climate
D. V. DEJONG, R. FORSYTHE, JAE-OH KIM and W. C. UECKER	41	A laboratory investigation of alternative transfer pricing mechanisms
T. SELLING and J. SHANK	65	Linear versus process tracing approaches to judgment modelling: a new perspective on cue importance
Research on Audit Judgment		
T. J. MOCK	81	Introduction
P. E. JOHNSON, K. JAMAL and R. G. BERRYMAN	83	Audit judgment research
L. R. BEACH and J. R. FREDERICKSON	101	Image theory: an alternative description of audit decisions
J. BÉDARD	113	Expertise in auditing: myth or reality?
G. F. KLERSEY and T. J. MOCK	133	Verbal protocol research in auditing
K. V. PINCUS	153	The efficacy of a red flags questionnaire for assessing the possibility of fraud
J. SHANTEAU	165	Cognitive heuristics and biases in behavioral auditing: review, comments and observations
W. S. WALLER and W. L. FELIX, JR	179	Auditors' causal judgments: effects of forward vs backward inference on information processing

Number 3

	201	Editorial Announcement
P. D. BOUGEN	203	The emergence, roles and consequences of an accounting–industrial relations interaction
P. DANOS, D. L. HOLT and E. A. IMHOFF, JR	235	The use of accounting information in bank lending decisions
L. A. GORDON	247	Benefit–cost analysis and resource allocation decisions
A. HARRELL, M. TAYLOR and E. CHEWNING	259	An examination of management's ability to bias the professional objectivity of internal auditors
T. PINCH, M. MULKAY and M. ASHMORE	271	Clinical budgeting: experimentation in the social sciences: a drama in five acts

Number 4

BEN-HSIEN BAO and DA-HSIEN BAO	303	LIFO adoption: a technology diffusion analysis
A. S. DUNK	321	Budget emphasis, budgetary participation and managerial performance: a note
O. A. IMOISILI	325	The role of budget data in the evaluation of managerial performance
K. KEASEY and R. WATSON	337	Consensus and accuracy in accounting studies of decision-making: a note on a new measure of consensus
L. MIA	347	The impact of participation in budgeting and job difficulty on managerial performance and work motivation: a research note
J. M. PETERS, B. L. LEWIS and V. DHAR	359	Assessing inherent risk during audit planning: the development of a knowledge based model

Number 5/6

P. F. LUCKETT and M. K. HIRST	379	The impact of feedback on inter-rater agreement and self insight in performance evaluation decisions
A. M. PRESTON	389	The Taxman cometh: some observations on the interrelationship between accounting and Inland Revenue practice
A. J. RICHARDSON	415	Corporatism and intraprofessional hegemony: a study of regulation and internal social order
M. WALKER	433	Agency theory: a falsificationist perspective
P. F. WILLIAMS	455	The logic of positive accounting research
Studies of the Cognitive Aspects of Accounting		
J. L. BUTT and T. L. CAMPBELL	471	The effects of information order and hypothesis-testing strategies on auditors' judgments
F. CHOO	481	Cognitive scripts in auditing and accounting behavior
L. R. DAVIS	495	Report format and the decision maker's task: an experimental investigation
G. DESANCTIS and S. L. JARVENPAA	509	Graphical presentation of accounting data for financial forecasting: an experimental investigation
J. M. HASSELL and C. E. ARRINGTON	527	A comparative analysis of the construct validity of coefficients in paramorphic models of accounting judgments: a replication and extension
S. E. KAPLAN and P. M. J. RECKERS	539	An examination of information search during initial audit planning
S. E. C. PURVIS	551	The effect of audit documentation format on data collection
K. T. TROTMAN and J. SNG	565	The effect of hypothesis framing, prior expectations and cue diagnosticity on auditors' infomation choice
B. WONG-ON-WING, J. H. RENEAU and S. G. WEST	577	Auditors' perception of management: determinants and consequences

Biblioscene

R. J. BOLAND, Jr 591 Beyond the objectivist and the subjectivist: learning to read accounting as text

I Volume Contents and Author Index for Volume 14